

CUSTOMS PRIVILEGES FOR CONSULAR OFFICERS

Exchange of notes at The Hague and at Washington April 7, June 17, August 20, and September 19, 1930; exchange of memorandums at Washington May 19 and June 30, 1931

Entered into force September 19, 1930

Amended by agreement of February 1, 1947, and August 20, 1948¹

1931 For. Rel. (II) 771

The American Minister to the Minister of Foreign Affairs

No. 52

THE HAGUE, April 7, 1930

EXCELLENCY: I have the honor to inform Your Excellency that the Treasury Department of my Government has consented to extend the privilege of free importation to Dutch Consular Officers in the United States. Therefore, in addition to the free entry of baggage and effects upon arrival and return to their posts in the United States after visits abroad, which Dutch consular officers assigned to the United States already enjoy, such officers who are Dutch nationals and not engaged in any other business, on a basis of reciprocity would be accorded the privilege of importing free of duty articles for their personal or family use at any time during their official residence with the understanding that no article the importation of which is prohibited by the laws of the United States shall be imported by them.

The Legation is informed that according to article 19 of the Tariff Law of the Netherlands (Free Entry Decree, 1925, Article 22-B) free entry may be accorded to Consular Officers of other powers on the condition of reciprocity. I should therefore like to propose on a basis of reciprocity that free entry privileges as outlined above be granted to American Consular Officers assigned to the Netherlands.

I may add that this suggestion applies only to Consular Officers as my Government deems it advisable to limit the free importation privilege to diplomatic and consular officers and not to extend it to members of clerical staffs of Legations or Consulates.

I avail myself [etc.]

GERRIT J. DIEKEMA

¹ *Post*, p. 257.

The Minister of Foreign Affairs to the American Minister

[TRANSLATION]

Economic Section
No. 18242

THE HAGUE, June 17, 1930

MR. MINISTER: By Your Note of April 7th, last, No. 52, Your Excellency informed me that the "Treasury Department" at Washington has consented, on a basis of reciprocity, to extend the privilege of free importation already enjoyed partially by the Dutch Consular Officers in the United States in such a manner that the Officers of Dutch Nationality who are not engaged in any other business would be accorded the privilege of importing articles free of duty for their personal or family use at any time during their official residence.

Upon the basis of this information and referring to Article 19 of the Dutch Customs Act of 1924 (Statute No. 568), Your Excellency proposes that such a privilege, as referred to above, be granted on the condition of reciprocity by the Government of the United States and Her Majesty's Government to the respective Consular Officers residing in both countries, with the understanding that they comply with the above-mentioned stipulations.

In reply, after having consulted my colleague, the Minister of Finance, I have the honor to inform Your Excellency that Her Majesty's Government accepts the proposition made. This must be understood in such manner that conformable to the last paragraph of Article 19 of the aforesaid Customs Act of 1924, exemption be equally accorded to excise and import duties on gold and silver articles. I add that I do not know if such taxes are collected in the United States, but, should such be the case, I am convinced that Your Government would be willing to accord exemption of these taxes to the Dutch Consular Officers above-mentioned.

I should be obliged if Your Excellency would let me know if the Government of the United States of America is in agreement with the foregoing; in that case I would ask my above-mentioned Colleague to give the necessary instructions so that this arrangement becomes in force.

I avail myself [etc.]

For the Minister:
The Secretary General,
A. M. SNOUCK HURGRONJE

The Acting Secretary of State to the Netherlands Chargé d'Affaires

WASHINGTON, August 20, 1930

SIR: In view of the provisions of Article 19 of the Tariff Law of the Netherlands to the effect that the privilege of importing articles for their personal use, free of duty during official residence would be extended to foreign consular officers on a reciprocal basis, the American Legation at The

Hague was instructed to take the matter up with the appropriate authorities of the Netherland Government with a view to arranging for the extension of this privilege to American consular officers assigned to the Netherlands.

The Department is now in receipt of a despatch from the American Minister at the Netherlands, enclosing a copy of a note from the Minister of Foreign Affairs in which it is stated that the Netherland Government accepts this Government's proposition on the understanding that gold and silver articles imported by Dutch consular officers will be exempt from excise tax, as well as import duties in case such taxes are assessed in the United States.

As the Department is informed by the Treasury Department that no excise tax is assessed on gold or silver articles imported for personal or family use, the American Minister at The Hague has been instructed to inform the Netherland Foreign Office accordingly, and I have pleasure in advising you that in addition to the free entry of baggage and effects upon arrival and return to their posts in this country after visits abroad, which Dutch consular officers assigned to the United States already enjoy, effective at once, upon the request of the Netherland Legation in each instance, this Department will arrange for the free entry of articles imported for personal use during their official residence in the United States by Dutch consular officers who are Dutch nationals and not engaged in any other business, and their families, with the understanding that no article, the importation of which is prohibited by the laws of the United States, shall be imported by them.

Accept [etc.]

W. R. CASTLE, JR.

The Minister of Foreign Affairs to the American Chargé d'Affaires

[TRANSLATION]

Economic Section
No. 29588

THE HAGUE, *September 19, 1930*

MR. CHARGÉ D'AFFAIRES: In his note No. 105 of September 5th last, His Excellency Mr. Diekema was good enough to inform me that the Government of the United States of America has already taken the necessary steps in order that Netherland consular officers of Dutch nationality, established in the United States of America, who have no other business in the United States, may be exempt from import duties with respect to articles imported for their own use or for the use of their family during the period of their official residence.

In thanking you for this kind communication, I take the liberty of making the following observation:

In my letter of June 17th last, Economic Section, in which I had the honor to inform His Excellency Mr. Diekema that the Government of the Queen accepted the proposal made by Your Government, I stated that this

should be interpreted in such a way that, in conformity with article 19 of the 1924 Tariff Act (Bulletin of Laws No. 568), exemption would also be accorded from excise taxes and duty on gold and silver articles. I added that I was not aware whether such duties were also levied in the United States but that, if so, I was convinced that your Government would also accord the Netherland consular officers in question exemption from these duties. In view of the fact that in the aforementioned letter of Mr. Diekema mention is only made of the fact that "no excise tax is assessed on gold or silver imported for personal and family use" (see also enclosure), it seems that I have perhaps not expressed myself with sufficient clarity. For this reason I take the liberty of observing that the third paragraph of my above-mentioned letter of June 17th referred to two different duties, to wit, excise taxes in general and, besides these, a special tax called tax on gold and silver objects, neither of which are import duties.

However, my colleague the Minister of Finance, whom I did not delay acquainting with the above-mentioned note from Mr. Diekema, and whom I consulted with regard to the above, has notified me and I have the honor to inform you that he has advised the competent Netherland authorities that objects imported into the Netherlands, destined for consular officers of the United States of America, of American nationality, who have no other business in the Netherlands—for so far as these objects are for their own use or the use of their family—may enjoy freedom from import duties, statistical duty, excise taxes and the tax on gold and silver objects, and that consequently this franchise in the future is not restricted to the baggage (imported or forwarded afterwards) of these consular officers. In issuing these instructions, my colleague felt he should count on exemption from excise taxes in general being likewise granted to Netherland consular officers stationed in the United States of America.

In bringing the foregoing to your attention, I would be grateful if you would kindly inform me of the viewpoint of Your Government regarding the question of excise duties in general to which reference is made above.

I seize this occasion [etc.]

For the Minister:

The Secretary General

A. M. SNOUCK HURGRONJE

The Netherlands Legation to the Department of State

No. 1645

MEMORANDUM

During the year 1930 an arrangement has been made between the Department of Foreign Affairs at The Hague and the United States Legation, extending on a basis of reciprocity the privilege of free importation in such

a manner, that consular officers, having the nationality of the country they represent, and not being engaged in any other business, will be accorded the privilege of importing articles free of duty for their personal and family use at any time during their official residence.

At that time it was understood, that the American consular officers in the Netherlands would likewise be exempted from excise duties when importing articles under above mentioned conditions.

In answer, however, to its suggestion that also this exemption from excise duties should be made reciprocal, the Netherland Government has been informed that in the absence of appropriate treaty provisions between the Netherlands and the United States exemption from excise taxes cannot be included in the free entry privileges for articles imported by consular officers of the Netherlands into the United States.

Acting under instructions of its Government, the Royal Netherland Legation has the honor to recur to the kind intermediary of the Department of State in order to be informed if and in what form eventually could be concluded between the two governments a binding provision to the effect that Netherland consular officers in the United States, as well as the United States consular officers in the Netherlands, would enjoy the privilege of exemption of excise taxes by importation of articles for their personal use.

WASHINGTON, 19 May, 1931.

The Department of State to the Netherlands Legation

MEMORANDUM

Reference is made to a memorandum from the Netherland Legation, No. 1645, dated May 19, 1931, in which inquiry is made regarding the exemption of Netherland consular officers in the United States from excise taxes on articles imported for their personal use.

It is the Department's understanding that as a matter of practice excise taxes are not levied on goods which are imported free of duty by foreign consular officers in the United States. Should it develop that consuls of the Netherlands, who are nationals of that country and not engaged in any other business, are required to pay excise taxes on the importation of articles for their personal use, this Department will be pleased to take the matter up with the Treasury Department to ascertain if such a tax exemption may be arranged informally. If such an arrangement is not feasible, this Department will be glad to give consideration to providing for the exemption in any negotiations for a treaty containing provisions relating to consular officers which may be undertaken by the two Governments.

WASHINGTON, June 30, 1931.